



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: December 20, 2004

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

October 2004 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>October 2004</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 173,335,954	\$ 726,745,925
Percent Change	11.6%	12.7%
Corporate Income Tax		
Net Collections	\$ 35,109,943	\$199,714,695
Percent Change	100.6%	54.0%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 294,146,223	\$ 1,170,415,834
Change	10.7%	9.6%
Total Big Three Tax Types		
Net Collections	\$502,592,120	\$ 2,096,876,454
Percent Change	14.6%	14.1%

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

TAX FACTS OCTOBER 2004

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	October 2004	October 2003*	% Change
Gross Collections	\$27,192,307	\$21,360,425	27.3
Withholding	187,072,940	187,639,147	(0.3)
Refunds	(9,839,911)	23,203,042	(42.4)
Urban Revenue Sharing	(31,089,382)	(30,422,097)	2.2
Net Collections	\$173,335,954	\$155,374,433	11.6

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)*	% Change
Gross Collections	\$138,398,823	\$115,563,481	19.8
Withholding	763,228,460	715,263,097	6.7
Refunds	(50,523,832)	(64,291,655)	(21.4)
Urban Revenue Sharing	(124,357,526)	(121,688,386)	2.2
Net Collections	\$726,745,925	\$644,846,538	12.7

*October 2003 and FYTD 03/04 refunds and net collections do not include Ladewig attorney fees.

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In October 2004, the department did not issue any refunds for alternative fuel related credits.

Ladewig Refunds

In October 2004, the department did not issue any refunds for Ladewig, a Supreme Court tax settlement case. For the fiscal year, 434,789 refunds have been issued for a total of \$124,306,442. Attorney payments are not included in the refund amount and total \$5,706,555 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2003, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,149	1,546,452	84,078	99,313	12	43,604	287,618	13,546	190,019	2,632	24	2,311,447
%	1.9	66.9	3.6	4.3	0.0	1.9	12.4	0.6	8.2	0.1	0.0	

In calendar year 2004 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,489	1,541,610	78,342	100,517	3	39,751	294,401	13,298	196,189	2,611	13	2,309,224
%	1.8	66.8	3.4	4.4	0.0	1.7	12.7	0.6	8.5	0.1	0.0	

The 2,309,224 returns, representing current and prior tax years, filed through October 2004 compares to 2,257,761 returns filed during the same period of time in 2003 for an annual increase of 2.3%. For tax year 2003 filed in 2004, 2,199,338 returns have been filed, a 2.6% increase over filings in October 2003 for tax year 2002.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,569,998 returns in calendar year 2004 for tax year 2003 from filers who also have returns on record from calendar year 2003 with the same marital status. On average, these filers experienced a 3.7% increase in FAGI and a 6.2% increase in tax liability. More specifically, 35.8% of these filers experienced a decrease in tax liability; on average a decrease of 37.1% with a corresponding average decrease in FAGI of 22.0%. Filers with an increase in tax liability totaled 803,374 or 51.1% with an average FAGI increase of 26.3% and an average tax liability increase of 49.7%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2004 CYTD	\$504.97	1,479,914
2003 CYTD	\$554.40	1,476,192
% Change	(8.9)	0.3

"New" Filers in Calendar Year 2004

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 236,470 "new" returns have been filed thus far in 2004, representing approximately 285,999 persons, not including dependents. The average Federal Adjusted Gross Income for these 236,470 returns is \$19,845, with an average tax liability of \$321. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.5% had a married filing joint filing status, 7.4% claimed a 65 and Over Exemption and 32.9% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2002 was \$295.4 million, for an average of \$1,534. An additional \$75.0 million in estimated payments came from 2001 tax returns that applied their refunds as a 2002 estimated payment, for an average of \$1,685. Estimated payments received through October 2004 for tax year 2004 are as follows:

10/04	140ES payment	\$8,246,488	Cumulative	\$201,284,016
10/03	140ES payment	55,405,281	Cumulative	\$162,412,182
	% change	(85.1)		23.9
10/04	Average payment	\$1,836	Cumulative	\$1,493
10/03	Average payment	\$1,708	Cumulative	\$1,280
	% change	7.5		16.6
10/04	Applied refund	\$6,939,398	Cumulative	\$43,213,839
10/03	Applied refund	\$13,990,157	Cumulative	\$52,832,241
	% change	(50.4)		(18.2)
Total 10/04		\$15,185,886	Cumulative	\$244,497,855
Total 10/03		\$69,395,438	Cumulative	\$215,244,423
	% change	(78.1)		13.6

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2003, which shows an increase of 2.5% in withholding payments over the second quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2003	0.9%	3 rd Quarter 2004	2.9%
1 st Quarter 2004	3.9%	4 th Quarter 2004	na
2 nd Quarter 2004	(1.1%)		

Current choices for withholding are 0%, 10%, 18.2%, 21.3%, 23.3%, 29.4% or 34.4% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2004	14,891	\$ 5,261,633	\$353.34
Calendar Year 2003	14,921	\$5,084,905	\$340.78
% Change	(0.2)	3.5	3.7

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2003:

	October 2004	Calendar Year Total
Check Off	\$40,189	\$4,171,909
Voluntary Donation	\$761	\$46,874
Number of Returns	5,095	573,792

Contributions on the Individual Income Tax Return

Through October 2004, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	9,534	\$ 167,721	\$17.59
Child Abuse	10,401	191,260	18.39
Special Olympics	5,011	78,444	15.65
Neighbors Helping	2,916	38,246	13.12
AID to Education	604	43,203	71.52
Domestic Violence Shelter	7,524	135,465	18.00
Democratic Party	1,117	27,049	24.22
Republican Party	701	16,743	23.88
Libertarian Party	86	1,730	20.12

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	October 2004	October 2003	% Change
Gross Collections	\$ 41,115,100	\$ 37,166,100	10.6
Refunds	(\$ 6,005,157)	(\$ 19,666,477)	(69.5)
Net Collections	\$ 35,109,943	\$ 17,499,623	100.6

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% Change
Gross Collections	\$ 219,006,190	\$ 166,241,894	31.7
Refunds	(\$ 19,291,495)	(\$ 36,594,261)	(47.3)
Net Collections	\$ 199,714,695	\$ 129,647,633	54.0

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

October 2004	\$ 27,143,731	Calendar Year Total	\$ 394,107,292
October 2003	\$ 20,938,792	Calendar Year Total	\$ 327,073,101
% Change	29.6%	% Change	20.5%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for October 2004 and for the calendar year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
October 2004	190	19	28	2	4	0	243	36.5
October 2003	142	10	18	3	5	0	178	
CY 2004	2,297	311	373	51	60	1	3,093	9.7
CY 2003	2,156	241	307	57	59	0	2,820	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 2003/04 by corporate fiscal year. For example, in FY 2003/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	99 & Prior	00	01	02	03	04
FY 2003/04	9.2%	2.7%	3.0%	74.5%	10.4%	0.2%

Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 2004/05	9.2%	2.5%	2.3%	81.2%	4.8%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year.

October 2004	\$ 26,019,689	Calendar Year Total	\$ 83,555,536
October 2003	\$ 39,422,004	Calendar Year Total	\$ 105,844,894
% Change	(34.0%)	% Change	(21.1%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2002. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	289	34,612	54,649	355	10,889
%	0.3	34.3	54.2	0.4	10.8

Through October 2004, 101,030 documents have been received for a fiscal year-end of 2003, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	222	30,960	58,393	289	11,166
%	0.2	30.6	57.8	0.3	11.1

The figures shown above for the 2003 returns are most meaningful when compared to 2002 returns received during the same period of time in the previous year. Through October 2003, the Arizona Department of Revenue received 92,254 documents with a fiscal year-end of 2002. Compared to 2003 documents, the department has seen a 9.5% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2004/05 is 15.0% of net proceeds from Fiscal Year 2002/03 income tax. Amounts returned for October 2004 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	October 2004	October 2003	% change
Distribution Base	\$ 118,605,189	\$ 106,921,890	10.9%
Non shared	232,631,491	210,110,140	10.7%
Use Tax	49,860,789	45,873,137	8.7%
Education Tax	43,408,531	39,351,595	10.3%
Other Revenues	20,607,802	18,743,839	9.9%
Total Collections	\$ 465,113,802	\$421,000,600	10.5%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Distribution Base	\$350,764,809	\$323,227,912	8.5%
Non shared	687,884,528	630,858,029	9.0%
Use Tax	147,034,572	135,808,983	8.3%
Education Tax	129,686,768	118,521,443	9.4%
Other Revenues	67,406,302	57,345,848	17.5%
Total Collections	\$1,382,776,979	\$1,265,762,215	9.2%

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	October 2004	October 2003	% change
Retained by State	\$ 294,146,223	\$ 265,731,338	10.7%
Returned to Counties	48,046,962	43,314,057	10.9%
Returned to Cities	29,651,297	26,730,472	10.9%
Education Tax	43,408,531	39,351,595	10.3%
Other Revenues	49,860,789	45,873,137	8.7%
Total Collections	465,113,802	421,000,600	10.5%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Retained by State	\$ 1,170,415,834	\$ 1,065,416,522	9.9%
Returned to Counties	190,141,786	174,253,685	9.1%
Returned to Cities	117,342,500	107,537,450	9.1%
Education Tax	173,095,299	157,873,038	9.6%
Other Revenues	196,895,362	181,682,120	8.4%
Total Collections	1,847,890,781	1,686,762,815	9.6%

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	October 2004	% Chg	Fiscal Year Total	% Chg
Transporting	5.6%	\$ 216,680	-50.8%	\$ 1,020,115	-24.8%
Non-Metal Mining Oil/Gas	3.125%	752,254	-0.9%	3,118,832	6.7%
Utilities	5.6%	35,374,854	4.9%	137,886,872	5.7%
Communications	5.6%	11,815,811	5.2%	48,998,503	4.5%
Private Car/Pipelines	5.6%	68,301	-43.5%	256,921	-16.0%
Publishing	5.6%	609,418	130.5%	2,315,711	-0.1%
Job Printing	5.6%	1,527,343	-2.0%	5,854,584	-2.0%
Restaurants & Bars	5.6%	29,791,283	6.6%	118,289,539	8.6%
Amusements	5.6%	2,578,897	13.6%	12,021,588	8.2%
Commercial Lease	0%	247	-97.7%	30,425	NA
Rental of Personal Property	5.6%	12,761,701	-1.9%	53,085,879	4.0%
Contracting	3.75% - 5.6%	65,559,518	17.9%	257,097,419	18.3%
Feed Wholesale	Repealed	0	NA	0	NA
Retail	5.6%	181,223,000	11.1%	716,825,960	7.7%
Mining Severance	2.5%	1,238,673	305.0%	4,367,054	347.8%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	788	-25.1%	3,189	21.1%
Hotel/Motel	5.5%	7,309,836	16.4%	27,082,275	9.6%
Membership Camping	5.6%	10,628	250.3%	24,178	-19.2%
Use Tax	5.6%	20,632,238	10.1%	88,077,821	15.6%
Rental Occupancy Tax	3.0%	1,046	-90.6%	(10,974)	NA
Jet Fuel	\$.0305/\$.0105 gal	360,477	4.3%	1,572,051	14.5%
Telecommunications Devices	1.1		NA	0	NA
Telecomm	----	339,382	-18.7%	1,406,565	-22.3%
School for the Deaf and Blind		89,836	-35.4%	448,936	67.2%
Poison Control	----	114,791	5.5%	395,825	-31.9%
Teratogen Funding		4,991	NA	15,106	NA
911 Wireline	\$0.37/month per active service	1,092,926	-1.9%	4,534,301	1.7%
911 Wireless	\$0.37/month per active service	1,048,273	2.5%	4,210,132	5.9%
Total		\$ 374,523,196	10.6%	\$ 1,488,928,806	9.6%

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	October 2004	% Chg	Fiscal Year Total	% Chg
Transporting	\$ 4,333,608	-50.8%	\$ 20,425,341	-24.7%
Non-Metal Mining Oil/Gas	24,072,133	-0.9%	99,891,412	6.8%
Utilities	707,497,086	4.9%	2,759,767,100	5.8%
Communications	236,316,230	5.2%	980,856,734	4.6%
Private Car/Pipelines	1,366,030	-43.5%	5,142,461	-15.9%
Publishing	12,212,340	131.0%	46,378,904	0.0%
Job Printing	30,546,864	-2.0%	117,204,212	-1.9%
Restaurants & Bars	595,857,576	6.6%	2,368,115,154	8.7%
Amusements	51,577,947	13.6%	240,703,203	8.4%
Commercial Lease	8,244	-99.2%	889,038	25.9%
Rental of Personal Property	255,283,481	-1.9%	1,062,758,230	4.1%
Contracting	1,317,182,106	18.5%	5,176,101,952	19.1%
Feed Wholesale	0	NA	0	NA
Retail	3,624,485,925	11.1%	14,351,076,465	7.8%
Mining Severance	49,546,936	305.0%	174,776,361	348.1%
Timber Severance	370	-25.1%	1,596	29.1%
Hotel/Motel	132,906,111	16.4%	493,017,757	9.8%
Membership Camping	212,554	250.3%	485,101	-8.6%
Use Tax	412,271,168	10.1%	1,760,788,036	15.9%
Rental Occupancy Tax	34,874	-90.6%	(364,007)	NA
Total	7,455,711,581	11.1%	\$ 29,658,015,051	10.1%

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. **Due to our new processing system, the report needed to provide this data is not available.**

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for October 2004 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 363,013	0.8%	\$ 1,443,399	7.7%
Cochise	1,278,015	2.7%	3,846,922	18.7%
Coconino	849,459	1.8%	4,835,726	-3.5%
Gila	369,925	0.8%	1,490,984	4.7%
Graham	217,701	0.5%	865,444	7.4%
Greenlee	212,312	0.4%	799,677	36.1%
La Paz	133,271	0.3%	545,340	7.9%
Maricopa	30,866,818	64.2%	121,743,237	9.3%
Mohave	1,371,426	2.9%	5,487,084	12.5%
Navajo	783,832	1.6%	3,099,581	7.7%
Pima	7,066,606	14.7%	28,204,093	8.2%
Pinal	1,283,567	2.7%	5,102,923	9.6%
Santa Cruz	300,059	0.6%	1,202,377	6.3%
Yavapai	1,711,401	3.6%	6,679,599	10.9%
Yuma	1,239,558	2.6%	4,795,400	10.5%
Total	\$ 48,046,962		\$190,141,786	9.1%

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for October 2004 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during October 2004 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$ 88,942							
Cochise		497,275							
Coconino		940,382	\$ 563,816					\$ 233,511	
Gila	\$ 248,326	241,202							
Graham		100,631							
Greenlee		71,788							
La Paz		69,033	69,033				\$ 312		
Maricopa	25,481,005		9,391,119	\$ 429,631	\$ 2,314				\$ 1,156,552
Mohave		546,030							
Navajo		512,753							
Pima				109,909		\$ 9,109			
Pinal	903,615	879,261							
Santa Cruz		193,793							
Yavapai		1,165,631	582,919						
Yuma		820,137	820,094					819,296	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in October 2004. The table compares the receipts to October 2003 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	October 2004	October 2003	% Change
Spiritous	\$ 1,733,944	\$ 1,741,540	(0.4)
Vinous	805,057	613,859	31.2
Malt	2,310,327	1,881,223	22.8
Cigarette	22,082,140	21,809,525	1.3
Other Tobacco	469,762	645,911	(27.3)
Tobacco Licenses	550	100	450.0
Total	\$ 27,401,779	\$ 26,692,158	2.7

	Fiscal Year (04/05)	Fiscal Year (03/04)	% Change
Spiritous	\$7,081,684	\$6,709,818	5.5
Vinous	2,844,905	2,716,356	4.7
Malt	7,903,570	7,230,118	9.3
Cigarette*	90,462,991	86,063,721	5.1
Other Tobacco	2,593,838	2,516,910	3.1
Tobacco Licenses	1,425	1,650	(13.6)
Total	\$ 110,888,413	\$ 105,238,573	5.4

*Through October 2004, \$448,400 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	October 2004	Fiscal Year (04/05)
Spiritous	\$ 1,213,761	\$ 4,957,179
Vinous	200,869	708,907
Malt	577,582	1,975,892
Cigarette	2,991,992	12,196,341
Other Tobacco	76,232	406,736
Tobacco Licenses	550	1,425
Total	\$ 5,060,986	\$ 20,246,480

Other dedicated revenues from luxury taxes:

	October 2004	Fiscal Year (04/05)
Correction Fund revenues	\$ 2,353,921	\$ 8,717,214
Tobacco Tax & Health Care Fund ²	\$ 7,615,795	\$ 31,270,375
Tobacco Products Tax Fund ³	\$ 11,404,553	\$ 46,803,600
Wine Promotional Fund revenues	\$ 1,581	\$ 9,276
Drug Treatment & Education Fund revenues	\$ 681,861	\$ 2,428,774
Corrections Revolving Fund revenues	\$ 269,984	\$ 964,194

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

October 2004	\$2,266,156	Fiscal Year to Date	\$15,020,647
October 2003	\$3,006,279	Fiscal Year To Date	\$13,630,779
% Change	(0.2)	% Change	10.2

Bingo

October 2004	\$60,992	Fiscal Year to Date	\$206,298
October 2003	\$66,473	Fiscal Year to Date	\$213,398
% Change	(0.8)	% Change	(3.3)

Unclaimed Property

October 2004	\$6,101,214	Fiscal Year to Date	\$7,904,337
October 2003	\$12,261,559	Fiscal Year to Date	\$14,500,798
% Change	(50.2)	% Change	(45.9)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
"New" Returns Filed in 2004 for Tax Year 2003
Through October 2004

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,691	1.1%	-\$17,656	\$2	16.6%	76.6%	4.0%	2.8%	14.1%	10.7%
\$0-\$5,000	52,947	22.4%	\$2,686	\$1	3.9%	85.2%	10.0%	0.9%	3.9%	14.7%
\$5,000-\$10,000	49,832	21.1%	\$7,362	\$25	7.1%	73.8%	17.9%	1.2%	5.7%	25.9%
\$10,000-\$15,000	34,188	14.5%	\$12,346	\$91	13.9%	57.6%	26.8%	1.7%	8.4%	38.3%
\$15,000-\$20,000	24,520	10.4%	\$17,361	\$169	20.4%	48.7%	28.4%	2.4%	8.6%	43.2%
\$20,000-\$25,000	16,810	7.1%	\$22,361	\$273	25.2%	43.2%	28.5%	3.1%	8.0%	46.3%
\$25,000-\$30,000	11,923	5.0%	\$27,382	\$390	29.3%	40.5%	26.4%	3.8%	8.1%	46.4%
\$30,000-\$40,000	15,118	6.4%	\$34,484	\$554	36.4%	37.5%	21.9%	4.1%	8.6%	45.1%
\$40,000-\$50,000	9,010	3.8%	\$44,635	\$776	48.0%	31.9%	16.9%	3.2%	10.2%	46.1%
\$50,000-\$75,000	11,352	4.8%	\$60,637	\$1,158	62.7%	24.5%	10.4%	2.4%	12.9%	46.0%
\$75,000-\$100,000	4,248	1.8%	\$85,457	\$1,855	72.3%	19.3%	6.7%	1.7%	14.5%	45.3%
\$100,000-\$200,000	3,127	1.3%	\$129,193	\$3,307	74.1%	18.0%	6.3%	1.5%	16.1%	43.2%
\$200,000-\$500,000	581	0.2%	\$281,712	\$9,483	71.2%	21.5%	4.9%	2.4%	20.5%	38.3%
\$500,000-\$1,000,000	73	0.0%	\$658,997	\$24,818	52.0%	33.3%	8.0%	6.7%	25.3%	34.7%
\$1,000,000 and over	50	0.0%	\$1,808,827	\$78,643	58.8%	37.3%	3.9%	0.0%	21.6%	19.6%
Total	236,470		\$19,845	\$321	16.5%	49.5%	15.9%	1.6%	7.4%	32.9%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2003 FOR TAX YEAR 2002

Total	220,129		\$20,256	\$329	20.2%	57.0%	20.6%	2.2%	7.6%	34.7%
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
October 2004

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$236,512	30,848
Eagar	\$30,921	4,033	Tempe	1,216,180	158,625
Springerville	15,119	1,972	Tolleson	38,136	4,974
St. Johns	27,203	3,548	Wickenburg	38,964	5,082
<u>Cochise County</u>			Youngtown	23,078	3,010
Benson	36,119	4,711	<u>Mohave County</u>		
Bisbee	46,692	6,090	Bullhead City	258,907	33,769
Douglas	126,682	16,523	Colorado City	25,562	3,334
Huachuca City	13,425	1,751	Kingman	153,869	20,069
Sierra Vista	289,621	37,775	Lake Havasu City	321,539	41,938
Tombstone	11,531	1,504	<u>Navajo County</u>		
Willcox	28,621	3,733	Holbrook	37,699	4,917
<u>Coconino County</u>			Pinetop-Lakeside	27,463	3,582
Flagstaff	405,539	52,894	Show Low	58,998	7,695
Fredonia	7,943	1,036	Snowflake	34,195	4,460
Page	52,205	6,809	Taylor	24,350	3,176
Williams	21,790	2,842	Winslow	72,990	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	57,395	7,486	Marana	103,934	13,556
Hayden	6,839	892	Oro Valley	244,838	31,934
Miami	14,843	1,936	Sahuarita	24,856	3,242
Payson	104,425	13,620	South Tucson	42,092	5,490
Winkelman	3,396	443	Tucson	3,731,528	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	15,250	1,989	Apache Junction	243,918	31,814
Safford	70,782	9,232	Casa Grande	193,393	25,224
Thatcher	30,837	4,022	Coolidge	59,695	7,786
<u>Greenlee County</u>			Eloy	79,545	10,375
Clifton	19,904	2,596	Florence	116,853	15,241
Duncan	6,226	812	Kearny	17,243	2,249
<u>La Paz County</u>			Mammoth	13,509	1,762
Parker	24,074	3,140	Maricopa	38,319	4,998
Quartzsite	25,715	3,354	Superior	24,948	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	275,115	35,883	Nogales	160,072	20,878
Buckeye	65,147	8,497	Patagonia	6,755	881
Carefree	22,441	2,927	<u>Yavapai County</u>		
Cave Creek	28,583	3,728	Camp Verde	72,461	9,451
Chandler	1,356,594	176,939	Chino Valley	62,617	8,167
El Mirage	58,338	7,609	Clarkdale	26,237	3,422
Fountain Hills	155,142	20,235	Cottonwood	70,376	9,179
Gila Bend	15,181	1,980	Jerome	2,522	329
Gilbert	841,048	109,697	Prescott	260,203	33,938
Glendale	1,677,635	218,812	Prescott Valley	180,443	23,535
Goodyear	144,991	18,911	Sedona	78,142	10,192
Guadalupe	40,083	5,228	<u>Yuma County</u>		
Litchfield Park	29,211	3,810	San Luis	117,474	15,322
Mesa	3,049,754	397,776	Somerton	35,673	7,266
Paradise Valley	104,762	13,664	Wellton	14,023	1,829
Peoria	830,828	108,364	Yuma	595,612	77,685
Phoenix	10,128,471	1,321,045			
Queen Creek	33,091	4,316	TOTAL	\$31,089,382	4,057,566
Scottsdale	1,554,142	202,705			

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
October 2004

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,481,298	202,705
Eagar	\$29,472	4,033	Surprise	\$225,427	30,848
Springerville	\$14,411	1,972	Tempe	\$1,159,177	158,625
St. Johns	\$25,928	3,548	Tolleson	\$36,348	4,974
<u>Cochise County</u>			Wickenburg	\$37,138	5,082
Benson	\$34,426	4,711	Youngtown	\$21,996	3,010
Bisbee	\$44,504	6,090	<u>Mohave County</u>		
Douglas	\$120,744	16,523	Bullhead City	\$246,772	33,769
Huachuca City	\$12,796	1,751	Colorado City	\$24,364	3,334
Sierra Vista	\$276,047	37,775	Kingman	\$146,657	20,069
Tombstone	\$10,991	1,504	Lake Havasu City	\$306,468	41,938
Willcox	\$27,279	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$35,932	4,917
Flagstaff	\$386,531	52,894	Pinetop/Lakeside	\$26,176	3,582
Fredonia	\$7,571	1,036	Show Low	\$56,232	7,695
Page	\$49,758	6,809	Snowflake	\$32,592	4,460
Williams	\$20,768	2,842	Taylor	\$23,209	3,176
<u>Gila County</u>			Winslow	\$69,569	9,520
Globe	\$54,705	7,486	<u>Pima County</u>		
Hayden	\$6,518	892	Marana	\$99,063	13,556
Miami	\$14,148	1,936	Oro Valley	\$233,363	31,934
Payson	\$99,530	13,620	Sahuarita	\$23,691	3,242
Winkelman	\$3,237	443	South Tucson	\$40,119	5,490
<u>Graham County</u>			Tucson	\$3,556,629	486,699
Pima	\$14,535	1,989	<u>Pinal County</u>		
Safford	\$67,464	9,232	Apache Junction	\$232,486	31,814
Thatcher	\$29,391	4,022	Casa Grande	\$184,328	25,224
<u>Greenlee County</u>			Coolidge	\$56,897	7,786
Clifton	\$18,971	2,596	Eloy	\$75,817	10,375
Duncan	\$5,934	812	Florence	\$111,376	15,241
<u>La Paz County</u>			Kearny	\$16,435	2,249
Parker	\$22,946	3,140	Mammoth	\$12,876	1,762
Quartzsite	\$24,510	3,354	Maricopa	\$36,524	4,998
<u>Maricopa County</u>			Superior	\$23,779	3,254
Avondale	\$262,221	35,883	<u>Santa Cruz County</u>		
Buckeye	\$62,093	8,497	Nogales	\$152,569	20,878
Carefree	\$21,390	2,927	Patagonia	\$6,438	881
Cave Creek	\$27,243	3,728	<u>Yavapai County</u>		
Chandler	\$1,293,009	176,939	Camp Verde	\$69,065	9,451
El Mirage	\$55,604	7,609	Chino Valley	\$59,682	8,167
Fountain Hills	\$147,870	20,235	Clarkdale	\$25,007	3,422
Gila Bend	\$14,469	1,980	Cottonwood	\$67,077	9,179
Gilbert	\$801,628	109,697	Jerome	\$2,404	329
Glendale	\$1,599,003	218,812	Prescott	\$248,007	33,938
Goodyear	\$138,195	18,911	Prescott Valley	\$171,986	23,535
Guadalupe	\$38,204	5,228	Sedona	\$74,480	10,192
Litchfield Park	\$27,842	3,810	<u>Yuma County</u>		
Mesa	\$2,906,810	397,776	San Luis	\$111,968	15,322
Paradise Valley	\$99,852	13,664	Somerton	\$53,097	7,266
Peoria	\$791,887	108,364	Wellton	\$13,366	1,829
Phoenix	\$9,653,743	1,321,045	Yuma	\$567,695	77,685
Queen Creek	\$31,540	4,316			
			TOTAL	\$29,651,297	4,057,566